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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

	Application No.	Applicant(s)
Office Action Summary	09/967,045	KRAEHENBUEHL ET AL.
	Examiner	Art Unit	
	Bijendra K. Shrestha	3691	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE <u>3</u> MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
  Any reply received by the Office later than three months after t he mailing date of this com munication, even if timely filed, may re duce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☐ Responsive to communication(s) filed on <u>*03 July 2007*</u>.

2a)☒ This action is **FINAL**.   2b)☐ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) <u>*1-18,20-35 and 37-56*</u> is/are pending in the application.

    4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) <u>*1-18, 20-35 and 37-56*</u> is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

    Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

    Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

    a)☐ All b)☐ Some * c)☐ None of:

      1.☐ Certified copies of the priority documents have been received.

      2.☐ Certified copies of the priority documents have been received in Application No. _____.

      3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

    * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1)☒ Notice of References Cited (PTO-892)

2)☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)

3)☐ Information Disclosure Statement(s) (PTO/SB/08)
    Paper No(s)/Mail Date _____.

4)☐ Interview Summary (PTO-413)
    Paper No(s)/Mail Date. _____.

5)☐ Notice of Informal Patent Application

6)☐ Other: _____.

DETAILED ACTION

Claims 1-56 are presented for examination. Applicant filed an amendment on 07/03/2007 amending the independent claims 1, 13, 25, 39, 46 and 54, and canceling dependent claims 19 and 36. Applicant is also required to refer to all the references cited but not relied on while responding to the office action (see MPEP § 37 CFR 1.111(c)). After careful consideration of applicant's arguments and amendments, new grounds of rejections of claims 1, 13, 25, 39, 46 and 54 necessitated by Applicant's amendment are established in the instant application as set forth in detail below. Applicant's arguments with respect to claims 1, 13, 25, 39, 46 and 54 have been considered but are moot in view of the new ground(s) of rejection.

Claim Objections

Claim 37 refers to claim 36 which has been cancelled by the Applicant in the amendment. Appropriate correction is required.

Information Disclosure Statement

Applicant is requested to limit the number of references in submitted IDS that is relevant to this application.

Claim Rejections - 35 USC § 103

1.   The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all

obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

2.   Claim 1, 3-20, 22, 24-25, 27-39, 41-46, 48-50 and 53-56 are rejected under 35

U.S.C. 103(a) as being unpatentable by Erlanger et al. U.S. Patent No. 6,594,635

(reference A in attached PTO-892) in view of Growney et al., U.S. Patent No. 7,062,460

(reference B in attached PTO-892) further in view of Boarman et al., U.S. Patent No.

6,609,112 (reference C in attached PTO-892).

3.   As per claim 1, Erlanger et al. teach a method of selling reinsurance, comprising

the steps of:

        identifying a reinsurance product (see column 20, lines 25-30; where reinsurers

identify reinsurance products, accepting whole or in part of risk associated with one or

more existing insurance contract and send the offer to data processing system 101);

        determining a capacity of the reinsurance product to be sold (see Fig. 5; column

20, lines 37-46; where in step 316, data processing system 101 provides capacity of

reinsurance product to be sold in terms of dollar volume and price for certain portion of

the capacity of reinsurance);

        accepting bids for at least a portion of the capacity (see Fig. 5; steps 313 -314),

wherein the step of accepting bids comprises providing a status for the bids, the status

comprising one of OK, Partial OK, and Excluded (see column 13, lines 45-50); and

Erlanger et al teach offering the reinsurance product for sale through bidding (see Fig. 5).

Erlanger et al. <u>do not teach sale of product (reinsurance) through auction</u>.

Growney et al. teach sale of product (reinsurance) through an auction (see Fig. 2; column 3, lines 16-17, 44-46).

Therefore, it would be obvious to one of ordinary skill in the art at the time the invention was made to allow sale of product (reinsurance) through an auction of Erlanger et al. because Growney et al. teach that sale of product (reinsurance) through an auction would provide sellers access to large quantities of buyers, without having to set up fixed price for its goods or services, and saves sellers time by avoiding negotiating price individually with buyers (Growney et al., column 1, lines 30-34).

Erlanger et al. further teach consummating a contract for the sale of at least a portion of the reinsurance product to holders of winning bids (see Fig. 5; column 21, lines 1-11; where in step 319, data processing system 101 compile statistics on sale of reinsurance in step 318 and consummate a portion of the reinsurance product to holders of winning bids), wherein a status of OK denotes acceptance of a bid, a status of Partial OK denotes only a portion of condition is met, and a status of Excluded denotes that a bid has not been accepted (see column 13, lines 45-50).

Erlanger et al. <u>do not teach a status of Partial OK allows only a portion of requested capacity will be filled</u>.

Boarman et al. teach partial filling of requested bid (Boarman et al, Fig. 3B, step 424; column 1, lines 43-59, column 2, lines 19-29).

Therefore, it would be obvious to one of ordinary skill in the art at the time the invention was made to include partial filling of requested bid of Erlanger et al. because Boarman et al. teach that including partial acceptance of bid allows the participant bid to be automatically adjusted in accordance of minimum bid increment and participant proxy value which do not required continuous monitoring of auction progress (Boarman et al, column 1, lines 25-29).

4.   As per claim 3, Erlanger et al. in view of Growney et al. further in view of Boarman et al. teach claim 1 as described above.

Erlanger et al. in view of Growney et al. further teach the method, wherein

the auction comprises an on-line auction (Erlanger et al., Fig. 5, step 313; column 8, lines 39-45; where plurality of reinsurers bid for a portion of capacity of reinsurance in the internet).

5.   As per claim 4, Erlanger et al. in view of Growney et al. further in view of Boarman et al. teach claim 3 as described above.

Erlanger et al. in view of Growney et al. further teach the method, wherein

the auction employs the Internet (Erlanger et al., column 8, lines 39-46; where data network is accessible through Internet).

6.   As per claim 5, Erlanger et al. in view of Growney et al. further in view of Boarman et al. teach claim 3 as described above.

Erlanger et al. in view of Growney et al. further teach the method, wherein

the auction is presented via a browser (Erlanger et al., column 8, lines 45-46;

where data processing system is accessible via World Wide Web presenting auction via

web browser).

7.   As per claim 6, Erlanger et al. in view of Growney et al. further in view of

Boarman et al. teach claim 1 as described above.

Erlanger et al. in view of Growney et al. further teach the method comprising:

accepting bids from at least one of direct insurers and brokers (Erlanger et al.,

Fig. 1; where bids are accepted from direct insurers and brokers (insurance agent) who

has access to data processing system through the Internet).

8.   As per claim 7, Erlanger et al. in view of Growney et al. further in view of

Boarman et al. teach claim 1 as described above.

Erlanger et al. in view of Growney et al. further teach the method, wherein bids

comprise:

at least a bid amount and an indication of the amount of desired capacity

(Erlanger et al., Fig. 5; column 20, lines 8-16; where in step 313, data processing

system 101 receives a bid price to buy reinsurance from plurality of reinsurers; bids

includes information such as premium to assume 10% of the liability in a pool of 100

flood insurance policies, dollar amount for a reinsurance product).

9.   As per claim 8, Erlanger et al. in view of Growney et al. further in view of

Boarman et al. teach claim 1 as described above.

Erlanger et al. do not teach the method wherein the step of accepting bids

comprises ranking the bids.

Growney et al. teach the method wherein the step of accepting bids comprises

ranking the bids (see column 4, lines 4-5).

Therefore, it would be prima facie obvious to one of ordinary skill in the art at the

time the invention was made to allow the method wherein the step of accepting bids

comprises ranking the bids of Erlanger et al. because Growney et al. teach ranking the

bids would enable to select winning bid from the list of buyers (Growney et al., column

4, lines 1-5).

10.   As per claim 9, Erlanger et al. in view of Growney et al. further in view of

Boarman et al. claim 8 as described above.

Erlanger et al. in view of Growney et al. further teach the method wherein

the steps of raking comprises calculating profitability (Erlanger et al., Fig. 5, step

317-318; column 20, lines 1-4; where reinsurance bids and offers are compared and

selected; closing criteria database (underwriting standard) are used to evaluate bids for

reinsurance; Examiner interprets calculating profitability value is one of criteria for

evaluating a bid).

11.   As per claim 10, Erlanger et al. in view of Growney et al. further in view of

Boarman et al. claim 8 as described above.

Erlanger et al. in view of Growney et al. further teach the method, wherein

changing a status of at least one bid (Erlanger et al., Fig. 5, step 317-318;

column 20, lines 1-4; where reinsurance bids and offers are compared and selected;

Examiner interprets that ranking of bid could moved up and down depending upon bid

price of reinsuree; modification of bid price may move second bid to upper rank than the

first one which may required to change status of first bid from OK to one of Partial OK

and Excluded, based on ranking of second bid).

12.   As per claim 11, Erlanger et al. in view of Growney et al. further in view of

Boarman et al. claim 10 as described above.

Erlanger et al. further teach the method, wherein

the status is one of OK, Partial OK and Excluded (see column 13, lines 45-50;

where status is OK (satisfactory). Partial satisfactory (Partial OK) and Excluded

(unsatisfactory).

13.   As per claim 12, Erlanger et al. in view of Growney et al. further in view of

Boarman et al. claim 1 as described above.

Erlanger et al. further teach the method, wherein

at least one of the bids is ranked according to a time it is received (see column

15, lines 40-45; where if there two or more insurance solicitation satisfies two or more

underwriting standards from different insurers, they are prioritized by chronological

order they are received).

14.   As per claim 13, Erlanger et al. teach a method of offering a reinsurance product,

comprising the steps of:

offering a predetermined capacity in the reinsurance product over an electronic

network (see Fig. 5; column 20, lines 37-46; where in step 316, data processing system

101 provides capacity of reinsurance product to be sold in terms of total dollar volume

and price for certain portion of the capacity of reinsurance);

receiving, from a bidder, at least one bid for at least a portion of the capacity (see Fig. 5; steps 313 -314; column 19, lines 58-64);

determining whether a profitability value of the at least one bid is acceptable (Fig. 5, step 317-318; column 20, lines 1-4; where reinsurance bids and offers are compared and selected; closing criteria database (underwriting standard) are used to evaluate bids for reinsurance; Examiner interprets calculating profitability value is one of criteria for evaluating a bid);

indicating to the bidder whether the at least one bid is accepted (see Fig. 5; steps 313 -318; where bid received and reinsurance offered is compared and identity of reinsurer to selected reinsuree is displayed by the data processing system indicating that bids are accepted and awarded), wherein the step of indicating to the bidder whether the at least one bid is accepted comprises providing a status for the at least one bid, the status comprising one of OK, Partial OK, Excluded, wherein a status of OK denotes acceptance of a bid, a status of Partial OK denotes only a portion of condition is met, and a status of Excluded denotes that a bid has not been accepted (see column 13, lines 45-50).

Erlanger et al. do not teach a status of Partial OK allows only a portion of requested capacity will be filled.

Boarman et al. teach partial filling of requested bid (Boarman et al, Fig. 3B, step 424; column 1, lines 43-59, column 2, lines 19-29).

Therefore, it would be obvious to one of ordinary skill in the art at the time the invention was made to include partial filling of requested bid of Erlanger et al. because

Boarman et al. teach that including partial acceptance of bid allows the participant bid to be automatically adjusted in accordance of minimum bid increment and participant proxy value which do not required continuous monitoring of auction progress (Boarman et al, column 1, lines 25-29).

15.   As per claim 14, Erlanger et al. in view of Boarman et al. claim 13 as described above. Erlanger et al. further teach the method, wherein

the electronic network comprises the Internet (see column 8, lines 39-46; where data network is accessible through Internet).

16.   As per claim 15, Erlanger et al. in view of Boarman et al. claim 13 as described above. Erlanger et al. further teach the method comprising

ranking the at least one bid with respect to other bids (see Fig. 5, Steps 317-318; where bids to buy reinsurance to offer to sell insurance are compared and displayed list of reinsurers and reinsurees; Examiner interprets that it is required to rank the bids for given underwriting statistics in order to select the best from the list).

17.   As per claim 16, Erlanger et al. in view of Boarman et al. claim 15 as described above. Erlanger et al. further teach the method, wherein

the ranking is based, at least in part, on the profitability value (Fig. 5, step 317-318; column 20, lines 1-4; where reinsurance bids and offers are compared and selected; closing criteria database (underwriting standard) are used to evaluate bids for reinsurance; Examiner interprets calculating profitability value is one of criteria for evaluating a bid).

18.   As per claim 17, Erlanger et al. in view of Boarman et al. claim 16 as described

above. Erlanger et al. further teach the method, wherein

the ranking is based, at least in part, on a time at which the at least one bid is

received (see column 15, lines 40-45; where if there two or more insurance solicitation

satisfies two or more underwriting standards from different insurers, they are prioritized

by chronological order they are received).

19.   As per claim 18, Erlanger et al. in view of Boarman et al. claim 13 as described

above. Erlanger et al. further teach the method, wherein

the profitability value is based, at least in part, on a requested inception date (Fig.

5, step 317-318; column 20, lines 1-4; where reinsurance bids and offers are compared

and selected; closing criteria database (underwriting standard) are used to evaluate

bids for reinsurance; Examiner interprets calculating profitability value is one of criteria

for evaluating a bid).

20.   As per claim 20, Erlanger et al. in view of Boarman et al. claim 13 as described

above.

Erlanger et al. do not teach the method comprising generating an auction ranking

element for the at least one bid.

Growney et al. teach the method comprising generating an auction ranking

element for the at least one bid (see column 4, lines 1-5; where auction ranking element

generated is parity price).

Therefore, it would be prima facie obvious to one of ordinary skill in the art at the

time the invention was made to generating an auction ranking element for the at least

one bid of Erlanger et al. because Growney et al. teach generating an auction ranking

element for the at least one bid would enable rank the given buyer in relation to other

buyers (Growney et al., column 4, lines 4-5).

21.   As per claim 22, Erlanger et al. in view of Boarman et al. claim 13 as described

above.

Erlanger et al. <u>do not teach the method comprising receiving a modified bid in</u>

<u>response to the step of indicating whether the at least one bid is accepted</u>

Growney et al. teach the method comprising receiving a modified bid in response

to the step of indicating whether the at least one bid is accepted (see column 1, lines

35-38).

22.   As per claim 24, Erlanger et al. in view of Boarman et al. claim 13 as described

above. Erlanger et al. further teach the method comprising

calculating a minimum acceptable bid (see Fig. 5; column 20, lines 34-36;

column 20, lines 43-45; where offer to sell price or fair risk price is calculated based on

statistics received by reinsurer in step 312; data processing system compile statistics

for offer to sell reinsurance that consists lowest price offered for such as 20 % of liability

for a pool of 400 flood policies).

Therefore, it would be prima facie obvious to one of ordinary skill in the art at the

time the invention was made to allow receiving a modified bid in response to the step of

indicating whether the at least one bid is accepted of Erlanger et al. because Growney

et al. teach that receiving a modified bid in response to the step of indicating whether

the at least one bid is accepted would allow goods and services are frequently given to

the highest bidders so as to provide the seller with the most profit (Growney et al.,

column 1, lines 27-29).

23.   As per claim 25, Erlanger et al. teach a method of selling reinsurance, comprising

the steps of:

     identifying a reinsurance product (see column 20, lines 25-30; where reinsurers

identify reinsurance products, accepting whole or in part of risk associated with one or

more existing insurance contract and send the offer to data processing system 101);

     Identifying a capacity of the reinsurance product to be sold (see column 20, lines

28-30, 37-41; where data processing system compile statistics containing information

about total dollar volume amount all insurance to be sold, whether whole or partial of

risk associated with one or more existing insurance contracts);

     calculating a fair risk price for the reinsurance product (see Fig. 5; column 20,

lines 34-36; where offer to sell price or fair risk price is calculated based on statistics

received by reinsurer in step 312); and

     Erlanger et al teach offering the reinsurance product to buyers via through

bidding (see Fig. 5).

     Erlanger et al. <u>do not teach offer of product (reinsurance) through electronic</u>

<u>auction</u>.

     Growney et al. teach offer of product (reinsurance) through an electronic auction

(see Fig. 2; column 3, lines 16-17, 44-46).

Therefore, it would be prima facie obvious to one of ordinary skill in the art at the time the invention was made to allow offer of product (reinsurance) through an electronic auction of Erlanger et al. because Growney et al. teach that offer of product (reinsurance) through an electronic auction would provide sellers access to large quantities of buyers, without having to set up fixed price for its goods or services, and saves sellers time by avoiding negotiating price individually with buyers (Growney et al., column 1, lines 30-34), wherein

a minimum bid in the electronic auction is determined, at least in part, by the fair risk price (see column 20, lines 34-35, 43-45; where data processing system compile statistics that enable reinsurer to calculate lowest price for offer to sell which is minimum bid price acceptable for reinsurer);

receiving bids from the buyers for portions of the capacity of the reinsurance product ((see Fig. 5; steps 313 -314; column 19, lines 58-64);

ranking the bids (Growney et al., column 4, lines 2-5);

notifying the buyers of a status of their respective bids; and ending the electronic auction after a predetermined period of time (Growney et al., Fig. 11A, step A10; column 10, lines 51-55), wherein the status comprises one of OK, Partial OK, and Excluded, wherein acceptance of a bid denotes acceptance of a bid, a status of Partial OK denotes only a portion of condition is met, and a status of Excluded denotes that a bid has not been accepted (see column 13, lines 45-50).

Erlanger et al. <u>do not teach a status of Partial OK allows only a portion of requested capacity will be filled</u>.

Boarman et al. teach partial filling of requested bid (Boarman et al, Fig. 3B, step

424; column 1, lines 43-59, column 2, lines 19-29).

Therefore, it would be obvious to one of ordinary skill in the art at the time the

invention was made to include partial filling of requested bid of Erlanger et al. because

Boarman et al. teach that including partial acceptance of bid allows the participant bid to

be automatically adjusted in accordance of minimum bid increment and participant

proxy value which do not required continuous monitoring of auction progress (Boarman

et al, column 1, lines 25-29).

24.   As per claim 27, Erlanger et al. in view of Growney et al. further in view of

Boarman et al. teach claim 25 as described above.

Erlanger et al. in vie of Growney et al. further teach the method, wherein

the fair risk price is calculated based on historical data (Erlanger et al., Fig. 5;

column 20, lines 34-36; where offer to sell price or fair risk price is calculated based on

statistics (historical data) compiled by Data processing system 101).

25.   As per claim 28, Erlanger et al. in view of Growney et al. further in view of

Boarman et al. teach claim 25 as described above.

Erlanger et al. in view of Growney et al. further teach the method, wherein

the electronic auction is offered via the Internet (see column 8, lines 39-46;

where data network is accessible through Internet).

26.   As per claim 29, Erlanger et al. in view of Growney et al. further in view of

Boarman et al. teach claim 28 as described above.

Erlanger et al. in view of Growney et al. further teach the method, wherein

the electronic auction is offered via a web browser (Erlanger et al., column 8,

lines 45-46; where data processing system is accessible via World Wide Web whereby

presenting auction via web browser).

27.   As per claim 30, Erlanger et al. in view of Growney et al. further in view of

Boarman et al. teach claim 25 as described above.

Erlanger et al. in view of Growney et al. further teach the method, wherein

the buyers comprise at least one of direct insurers and insurance brokers

(Erlanger et al., Fig. 1)

28.   As per claim 31, Erlanger et al. in view of Growney et al. further in view of

Boarman et al. teach claim 25 as described above.

Erlanger et al. in view of Growney et al. further teach the method, wherein

bids comprise a plurality of parameters (Erlanger et al., column 19, lines 58-67;

column 20, lines 8-17; where bids comprises bid price, dollar volume of insurance, risk

capacity, types of reinsurance etc.).

29.   As per claim 32, Erlanger et al. in view of Growney et al. further in view of

Boarman et al. teach claim 31 as described above.

Erlanger et al. in view of Growney et al. further teach the method, wherein

the parameters comprise at least one of price, inception date and a deductible

(Erlanger et al., column 19, lines 58-60; where bid to buy reinsurance include bid price).

30.   As per claim 33, Erlanger et al. in view of Growney et al. further in view of

Boarman et al. teach claim 25 as described above.

Erlanger et al. <u>do not teach the method comprising generating an auction ranking</u>

<u>element.</u>

Growney et al. teach the method comprising generating an auction ranking

element (see column 5, lines 61-67; where unit parity price is generated as ranking

element for ranking of bids).

Therefore, it would be prima facie obvious to one of ordinary skill in the art at the

time the invention was made to allow the method comprising generating an auction

ranking element of Erlanger et al. because Growney et al. teach the method comprising

generating an auction ranking element allow ranking of bids of given buyer in relation to

other buyers (Growney et al., column 5, lines 65-67).

31.   As per claim 34, Erlanger et al. in view of Growney et al. further in view of

Boarman et al. teach claim 33 as described above.

Erlanger et al. in view of Growney et al. further teach the method, wherein

the auction ranking element comprising a profitability value (Erlanger et al., Fig.

5, step 317-318; column 20, lines 1-4; where reinsurance bids and offers are compared

and selected; closing criteria database (underwriting standard) are used to evaluate

bids for reinsurance; Examiner interprets calculating profitability value is one of criteria

for evaluating a bid).

32.   As per claim 35, Erlanger et al. in view of Growney et al. further in view of

Boarman et al. teach claim 25 as described above.

Erlanger et al. in view of Growney et al. further teach the method comprising

calculating a profitability value (Erlanger et al., Fig. 5, step 317-318; column 20, lines 1-4; where reinsurance bids and offers are compared and selected; closing criteria database (underwriting standard) are used to evaluate bids for reinsurance; Examiner interprets calculating profitability value is one of criteria for evaluating a bid ; data processing system has capability to calculate profitability value using the compiled statistics).

33.   As per claim 37, Erlanger et al. in view of Growney et al. teach claim 35 as described above.

Erlanger et al. in view of Growney et al. further teach the method comprising

changing the status of a first bid from OK to one of Partial OK and Excluded, based on a ranking of a second bid (Erlanger et al., Fig. 5, step 317-318; column 20, lines 1-4; where reinsurance bids and offers are compared and selected; Examiner interprets that ranking of bid could moved up and down depending upon bid price of reinsuree; modification of bid price may move second bid to upper rank than the first one which may required to change status of first bid from OK to one of Partial OK and Excluded, based on ranking of second bid).

34.   As per claim 38, Erlanger et al. in view of Growney et al. further in view of Boarman et al. teach claim 25 as described above.

Erlanger et al. in view of Growney et al. further teach the method comprising

consummating a reinsurance contract between an operator of the electronic auction and a buyer having a winning bid (Erlanger et al., Fig. 5; column 21, lines 1-11;

where in step 319, data processing system 101 compile statistics on sale of

reinsurance in step 318 and consummate capacity of the winning bid).

35.   As per claim 39, Erlanger et al. teaches a method of purchasing reinsurance,

comprising the steps of:

selecting a bid for a particular reinsurance product; drafting a bid for the

reinsurance product by entering bid parameters including a bid price and a coverage

amount ; submitting the bid electronically (see Fig. 5, step 313; column 19, lines 58-67;

reinsuree can select to transfer whole or part of risk associated with one or more

existing insurance contracts to reinsurer);

receiving an indication of a status of the bid (see Fig. 5, step 317-318; column

20, lines 1-4; where reinsurance bids and offers are compared, selected and displayed);

accessing an electronic bid (see Fig. 1; column 8, lines 39-46; where reinsurer

and reinsurees have access data processing system through Internet and World Wide

Web); and

Erlanger et al. do not teach accessing electronic auction.

Growney et al. teach accessing electronic auction to offer sale of products

(see Fig. 2; column 3, lines 16-17, 44-46).

Therefore, it would be prima facie obvious to one of ordinary skill in the art at the

time the invention was made to allow accessing electronic auction of Erlanger et al.

because Growney et al. teach that accessing electronic auction would provide sellers

access to large quantities of buyers, without having to set up fixed price for its goods or

services, and saves sellers time by avoiding negotiating price individually with buyers

(Growney et al., column 1, lines 30-34).

Erlanger et al. further teach consummating a contract for the reinsurance product

(see Fig. 5; column 21, lines 1-11; where in step 319, data processing system 101

compile statistics on sale of reinsurance in step 318 and consummate capacity of a

winning bid); wherein the status of the bid comprises one of OK, Partial OK, and

Excluded, wherein a status OK denotes acceptance of a bid, a status of Partial OK

denotes only a portion of condition is met, and a status of Excluded denotes that a bid

has not been accepted (see column 13, lines 45-50).

Erlanger et al. do not teach a status of Partial OK allows only a portion of

requested capacity will be filled.

Boarman et al. teach partial filling of requested bid (Boarman et al, Fig. 3B, step

424; column 1, lines 43-59, column 2, lines 19-29).

Therefore, it would be obvious to one of ordinary skill in the art at the time the

invention was made to include partial filling of requested bid of Erlanger et al. because

Boarman et al. teach that including partial acceptance of bid allows the participant bid to

be automatically adjusted in accordance of minimum bid increment and participant

proxy value which do not required continuous monitoring of auction progress (Boarman

et al, column 1, lines 25-29).

36.   As per claim 41, Erlanger et al. in view Growney et al. further in view of Boarman

et al. teach claim 39 as described above.

Erlanger et al. in view Growney et al. further teach the method, wherein

the bid parameters further comprise a deductible amount and an inception date

(Erlanger et al., Fig. 2; column 20, lines 1-7; where each bid to buy identifies each

insurance policy with different parameters (closing criteria) so that potential reinsurer

evaluates the bids from closing criteria database 257: Examiner interprets deductible

amount and inception date are included in the closing criteria and bid parameters).

37.   As per claim 42, Erlanger et al. in view Growney et al. further in view of Boarman

et al. teach claim 39 as described above.

Erlanger et al. in view Growney et al. further teach the method comprising

changing a status of a submitted bid to a draft bid (Examiner interprets bidder

has option to change their bids and withdraw bids in the open auctions enabling

changing status from submitted to draft bid).

38.   As per claim 43, Erlanger et al. in view Growney et al. further in view of Boarman

et al. teach claim 39 as described above.

Erlanger et al. do not teach the method comprising changing the bid parameters

in view of the status of the bid.

Growney et al. teach the method comprising changing the bid parameters in view

of the status of the bid (see column 1, lines 35-38).

Therefore, it would be prima facie obvious to one of ordinary skill in the art at the

time the invention was made to allow changing the bid parameters in view of the status

of the bid of Erlanger et al. because Growney et al. teach that changing the bid

parameters in view of the status of the bid would allow goods and services are

frequently given to the highest bidders so as to provide the seller with the most profit

(Growney et al., column 1, lines 27-29).

39.   As per claim 44, Erlanger et al. in view Growney et al. further in view of Boarman

et al. teach claim 39 as described above.

      Erlanger et al. in view Growney et al. further teach the method, wherein

      the electronic auction for the particular reinsurance product is active for a

predetermined period of time (Growney et al, column 10, lines 50-54).

40.   As per claim 45, Erlanger et al. in view Growney et al. further in view of Boarman

et al. further in view of Boarman et al. teach claim 39 as described above.

      Erlanger et al. in view of Growney et al. further teach the method, wherein

      direct insurers perform the steps of claim 39 (see Fig. 1; Fig. 2).

41.   As per claim 46, Erlanger teach a system for selling a reinsurance product,

comprising:

      a fair risk price calculator (see Fig. 5; column 20, lines 34-36; where data

processing system 101, calculates offer to sell price or fair risk price based on statistics

received by the reinsurer in step 312);

      a web server in communication with the Internet (see Fig. 2; where computer

201 in data processing system communicate with reinsurers and reinsuree via Internet

and telephone network), wherein

the fair risk price calculator provides information for calculating minimum bid (see

column 20, lines 34-36, the database stores information related to at least one auction

for at least one reinsurance product), and the auction ranking element engine is

operable to rank bids submitted to the database via the web server(see Fig. 2); and

Erlanger et al. do not teach an auction and auction participant database and an

auction ranking element engine.

Growney et al. teach an auction and auction participant database and an auction

ranking element engine (see Fig. 2; column 5, lines 59-67).

Therefore, it would be prima facie obvious to one of ordinary skill in the art at the

time the invention was made to allow an auction and auction participant database and

an auction ranking element engine of Erlanger et al. because Growney et al. teach that

accessing electronic auction would provide sellers access to large quantities of buyers,

without having to set up fixed price for its goods or services, and saves sellers time by

avoiding negotiating price individually with buyers (Growney et al., column 1, lines 30-

34), and select winning bidder (Growney et al., column 4, lines 1-5).

Erlanger et al. teach bidding and bidding participant database (see Fig. 2),

wherein a status of OK denotes acceptance of a bid, a status of Partial OK denotes only

a portion of condition is met, and a status of Excluded denotes that a bid has not been

accepted (see column 13, lines 45-50).

Erlanger et al. do not teach a status of Partial OK allows only a portion of

requested capacity will be filled.

Boarman et al. teach partial filling of requested bid (Boarman et al, Fig. 3B, step 424; column 1, lines 43-59, column 2, lines 19-29).

Therefore, it would be obvious to one of ordinary skill in the art at the time the invention was made to include partial filling of requested bid of Erlanger et al. because Boarman et al. teach that including partial acceptance of bid allows the participant bid to be automatically adjusted in accordance of minimum bid increment and participant proxy value which do not required continuous monitoring of auction progress (Boarman et al, column 1, lines 25-29).

42.   As per claim 48, Erlanger et al. in view Growney et al. further in view of Boarman et al., teach claim 46 as described above.

Erlanger et al. teach the auction ranking element engine ranks bids based, at least in part, on a profitability value (Fig. 5, step 317-318; column 20, lines 1-4; where reinsurance bids and offers are compared and selected; closing criteria database (underwriting standard) are used to evaluate bids for reinsurance; Examiner interprets calculating profitability value is one of criteria for evaluating a bid ; data processing system has capability to calculate profitability value using the compiled statistics).

43.   As per claim 49, Erlanger et al. in view of Growney et al. further in view of Boarman et al. teach claim 46 as described above.

Erlanger et al. in view of Growney et al. further teach the system, wherein

direct insurers submit bids to the web server (Erlanger et al., Fig. 1; Fig. 2; where direct insurers (102-1->102-i) submits bid to data processing system 101 via web server (201)).

44.   As per claim 50, Erlanger et al. in view of Growney et al. further in view of

Boarman et al. teach claim 46 as described above.

Erlanger et al. in view of Growney et al. further teach the system, wherein

a submitted bid comprises a bid amount and a desired coverage amount

(Erlanger et al., column 19, lines 58-64) .

45.   As per claim 53, Erlanger et al. in view of Growney et al. further in view of

Boarman et al. teach claim 46 as described above.

Erlanger et al. further teach the system, wherein

the direct insurers participate as bidders for the reinsurance product (see Fig. 1;

Fig. 2).

46.   As per claim 54, Erlanger et al. teach a method of selling a product, comprising

the steps of:

(a) identifying the product (see column 20, lines 25-30; where reinsurers identify

reinsurance products, accepting whole or in part of risk associated with one or more

existing insurance contract and send the offer to data processing system 101);

(b) determining a capacity of the product to be sold (see column 20, lines 28-30,

37-41; where data processing system compile statistics containing information about

total dollar volume amount all insurance to be sold, whether whole or partial of risk

associated with one or more existing insurance contracts);

(d) accepting bids for at least a portion of the capacity (see Fig. 5, step 313;

where data processing system accepts bids from reinsuree at a bid price for transferring

in whole or in part, of the risk associated with one or more existing insurance contract to

reinsurer, wherein the step of accepting bids comprises providing a status for the bids,

the status comprising one of OK, Partial OK and Excluded (see column 13, lines 45-50);

and

(c) Erlanger et al. <u>do not teach offering the product for sale through auction</u>.

Growney et al. teach offering the product for sale through auction (see Fig. 2;

column 3, lines 16-17, 44-46).

Therefore, it would be prima facie obvious to one of ordinary skill in the art at the

time the invention was made to allow offering the product for sale through auction of

Erlanger et al. because Growney et al. teach that offering the product for sale through

auction would provide sellers access to large quantities of buyers, without having to set

up fixed price for its goods or services, and saves sellers time by avoiding negotiating

price individually with buyers (Growney et al., column 1, lines 30-34).

(e) consummating a contract for the sale of at least a portion of the product to

holders of winning bids (see Fig. 5; column 21, lines 1-11; where in step 319, data

processing system 101 compile statistics on sale of reinsurance in step 318 and

consummate a portion of the product to holders of winning bids), wherein a status of OK

denotes acceptance of a bid, a status of Partial OK denotes only a portion of condition

is met, and a status of Excluded denotes that a bid has not been accepted (see column

13, lines 45-50).

Erlanger et al. <u>do not teach a status of Partial OK allows only a portion of

requested capacity will be filled</u>.

Boarman et al. teach partial filling of requested bid (Boarman et al., Fig. 3B, step 424; column 1, lines 43-59, column 2, lines 19-29).

Therefore, it would be obvious to one of ordinary skill in the art at the time the invention was made to include partial filling of requested bid of Erlanger et al. because Boarman et al. teach that including partial acceptance of bid allows the participant bid to be automatically adjusted in accordance of minimum bid increment and participant proxy value which do not required continuous monitoring of auction progress (Boarman et al, column 1, lines 25-29).

47.   As per claim 55, Erlanger et al. in view of Growney et al. further in view of Boarman et al. teach claim 54 as described above.

Erlanger et al. further teach the method, wherein

the product is a reinsurance product (see column 20, lines 25-30).

48.   As per claim 56, Erlanger et al. in view of Growney et al. further in view of Boarman et al. teach claim 54 as described above.

Erlanger et al. further teach the method, wherein

the product is a risk shifting product (see column 20, lines 27-31).

49.   Claim 2, 21, 23, 26, 40, 47, 51 and 52 are rejected under 35 U.S.C. 103(a) as being unpatentable by Erlanger et al. U.S. Patent No. 6,594,635 (reference A in attached PTO-892) in view of Growney et al., U.S. Patent No. 7,062,460 (reference B in attached PTO-892) further in view of Klaus, U.S. Patent No. 7,080,020 (reference D in attached PTO-892).

50.   As per claim 2, Erlanger et al. in view of Growney et al. teach claim 1 as

described above.

Erlanger et al. in view of Growney et al. <u>do not teach the method wherein the</u>

<u>reinsurance product is at least one of earthquake reinsurance, windstorm reinsurance</u>

<u>and marine catastrophe reinsurance</u>.

Klaus teaches the method wherein the reinsurance product is at least one of

earthquake reinsurance, windstorm reinsurance and marine catastrophe reinsurance

(see Fig. 3; column 2, lines 34-36, 48-50; where reinsurance product includes

windstorm (hurricane) and marine).

Therefore, it would be prima facie obvious to one of ordinary skill in the art at the

time the invention was made to include method wherein the reinsurance product is at

least one of earthquake reinsurance, windstorm reinsurance and marine catastrophe

reinsurance of Erlanger et al. in view of Growney et al. because Klaus teaches

inclusion of such high risk insurance would spread risk among multiple carriers, each

covering a portion of the total risk (Klaus, column 2, lines 50-53).

51.   As per claim 21, Erlanger et al. claim 13 as described above.

Erlanger et al. in view of Growney et al. <u>do not teach the method, wherein</u>

<u>communication via the electronic network is secure</u>.

Klaus teach the method wherein communication via the electronic network is

secure (see column 4, lines 5-7).

Therefore, it would be prima facie obvious to one of ordinary skill in the art at the

time the invention was made to allow the method wherein communication via the

electronic network is secure of Erlanger et al. in view of Growney et al. because Klaus

teach that allowing the method wherein communication via the electronic network is

secure would enable bid or proposal of specific cedent are viewable by that cedent only

(Kalus, column 4, lines 3-4)..

52.   As per claim 23, Erlanger et al. in view of Growney et al. teach claim 22 as

described above.

Erlanger in view of Growney et al. <u>do not teach the method comprising modifying</u>

<u>a parameter of the at least one bid other than a bid price</u>

Klaus teaches the method comprising modifying a parameter of the at least one

bid other than a bid price (see Fig. 5; column 8, lines 23-32; where Original Loss

amount(OLW), Limit Upfront, Rate on Line(ROL) etc. are other parameters that can be

modified other than the bid price).

Therefore, it would be prima facie obvious to one of ordinary skill in the art at the

time the invention was made to allow modifying a parameter of the at least one bid other

than a bid price of Erlanger et al. in view of Growney et al. because Growney et al.

teach that modifying a parameter of the at least one bid other than a bid price would

allow modify bid to counter bid the other bidders (Growney et al., column 1, lines 35-

38).

53.   As per claim 26, Erlanger et al. in view of Growney et al. teach claim 25 as

described above.

Erlanger et al. in view of Growney et al. do not teach the method wherein the

reinsurance product comprises at least one of earthquake reinsurance, windstorm

reinsurance and marine catastrophe reinsurance.

Klaus teaches the method wherein the reinsurance product is at least one of

earthquake reinsurance, windstorm reinsurance and marine catastrophe reinsurance

(see Fig. 3; column 2, lines 34-36, 48-50; where reinsurance product include windstorm

(hurricane) and marine).

Therefore, it would be prima facie obvious to one of ordinary skill in the art at the

time the invention was made to include method wherein the reinsurance product is at

least one of earthquake reinsurance, windstorm reinsurance and marine catastrophe

reinsurance of Erlanger et al. in view of Growney et al. because Klaus including in such

high risk insurance would spread risk among multiple carrier, each covering a portion of

the total risk (Klaus, column 2, lines 50-53).

54.   As per claim 40, Erlanger et al. in view Growney et al. teach claim 39 as

described above.

Erlanger et al. in view of Growney et al. do not teach the method wherein the

particular reinsurance product comprises is at least one of earthquake reinsurance,

windstorm reinsurance and marine catastrophe reinsurance.

Klaus teaches the method wherein the particular reinsurance product comprises

at least one of earthquake reinsurance, windstorm reinsurance and marine catastrophe

reinsurance (see Fig. 3; column 2, lines 34-36, 48-50; where reinsurance product

include windstorm (hurricane) and marine).

Therefore, it would be prima facie obvious to one of ordinary skill in the art at the time the invention was made to include method wherein the reinsurance product is at least one of earthquake reinsurance, windstorm reinsurance and marine catastrophe reinsurance of Erlanger et al. in view of Growney et al. because Klaus teaches including such high risk insurance would spread risk among multiple carriers, each covering a portion of the total risk (Klaus, column 2, lines 50-53).

55.   As per claim 47, Erlanger et al. in view of Growney et al. teach claim 46 as described above.

Erlanger et al. in view of Growney et al. <u>do not teach the method wherein the reinsurance product is at least one of earthquake reinsurance, windstorm reinsurance and marine catastrophe reinsurance</u>.

Klaus teaches the method wherein the reinsurance product is at least one of earthquake reinsurance, windstorm reinsurance and marine catastrophe reinsurance (see Fig. 3; column 2, lines 34-36, 48-50; where reinsurance product include windstorm (hurricane) and marine).

Therefore, it would be prima facie obvious to one of ordinary skill in the art at the time the invention was made to include method wherein the reinsurance product is at least one of earthquake reinsurance, windstorm reinsurance and marine catastrophe reinsurance of Erlanger et al. in view of Growney et al. because Klaus teaches inclusion of in such high risk insurance would spread among multiple carriers, each covering a portion of the total risk (Klaus, column 2, lines 50-53).

56.   As per claim 51, Erlanger et al. in view of Growney et al. teach claim 50 as described above.

Erlanger et al. in view of Growney et al. <u>do not teach the system, wherein the auction ranking element engine determines whether the sufficient capacity remains to satisfy the desired coverage amount</u>.

Klaus teaches the system that determines whether the sufficient capacity remains to satisfy the desired coverage amount (see column 11, lines 44-67).

Therefore, it would be prima facie obvious to one of ordinary skill in the art at the time the invention was made to include the system that determines whether the sufficient capacity remains to satisfy the desired coverage amount of Erlanger et al. because Klaus teaches that including system that determines whether the sufficient capacity remains to satisfy the desired coverage amount would enable to withdraw any proposal or bid whose acceptance would reduce the available capacity below selected amount which is generally zero (Klaus, column 11, lines 53-57).

57.   As per claim 52, Erlanger et al. in view of Growney et al. teach claim 46 as described above.

Erlanger et al. in view of Growney et al. further teach the system, wherein system provides efficient market for reinsurer and reinsure , is operated by those parties who patronize it by using the system (see column 3, lines 11-15).

Erlanger et al. in view of Growney et al. <u>do not teach the system, wherein the system is operated by or on behalf of a reinsurance company</u>.

Klaus teaches the system is operated by or on behalf of a reinsurance company

(see column 6, lines 1-3).

Klaus teach the system is assembled, operated, maintained and connected to

Internet by and under the authority of reinsurer (see column 6, lines 1-3; where

reinsurer assemble, operate and maintain the system)

Therefore, it would be prima facie obvious to one of ordinary skill in the art at the

time the invention was made to include the system is operated by or on behalf of a

reinsurance company of Erlanger et al. in view of Growney et al. because Klaus teaches

including the system is operated by or on behalf of a reinsurance company enable

reinsurer have authority in the system (Klaus, column 6, lines 1-3).

Conclusion

58.   Applicant's amendment necessitated the new ground(s) of rejection presented in

this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP

§ 706.07(a). Applicant is reminded of the extension of time policy as set forth in § 37

CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE

MONTHS from the mailing date of this action. In the event a first reply is filed within

TWO MONTHS of the mailing date of this final action and the advisory action is not

mailed until after the end of the THREE-MONTH shortened statutory period, then the

shortened statutory period will expire on the date the advisory action is mailed, and any

extension fee pursuant to § 37 CFR 1.136(a) will be calculated from the mailing date of

the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

The prior art made of record and not relied upon is considered pertinent to applicant's disclosures. The following are pertinent to current invention, though not relied upon:

Chambers et al. (U. S. Pub No. 2005/0055299) teach system and method for facilitating a request for proposal process using auction.

Kinney, Jr. et al. (U.S. Patent No. 6,871,191) teach method and system for partial quantity evaluated rank bidding in online auctions.

Kinney, Jr. et al. (U.S. Patent No. 7,010,511) teach method and system for conducting electronic auction with net present value bidding.

Laurenzano, Vincent L. (U.S. Pub No. 2002/0046066) teaches reinsurance and risk management method.

McCormick et al. (U.S. Patent No. 6,049, 773) teach automated method for identification of reinsurance claims.

Sweeney et al. (U.S. Pub No. 2002/0032646) teach system and method of automated brokerage for risk management services and products.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Bijendra K. Shrestha whose telephone number is (571)

270-1374. The examiner can normally be reached on 7:00 AM-4:30 PM (Monday-Friday); 2nd Friday OFF.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Alexander Kalinowski can be reached on (571) 272-6771. The fax phone number for the organization where this application or proceeding is assigned is (571) 273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

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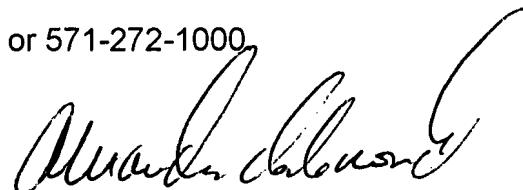
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